



GENERAL OFFICE  
500 WILLINGER LANE  
JEFFERSONVILLE IN 47130  
(812) 288-0940  
FAX (812) 288-4977

September 14, 2007

Jennie Lam-Nagata  
Executive Assistant to the President  
ASLRRRA  
50 F Street, NW  
Suite 7020  
Washington, DC 20001

Re: Railroad Service Demands

Dear Ms. Lam-Nagata:

The purpose of this letter is to respond to the STB request dated August 16, 2007 with respect to railroad service demands in the last quarter of 2007. While the questions posed appear to be directed at Class I's and larger regional railroads, we have done our best to comply with the request. However, to frame our responses it is important to understand that L&I and several other Midwest shortlines are experiencing a dramatic decrease in business levels in 2007 compared to our record year in 2006.

The service plan for the Louisville & Indiana Railroad is being revised this week in response to much lower overall traffic levels than experienced in 2006. Responses for information specifically requested are as follows:

1. LIRC does not move coal, chemicals or intermodal. The single elevator served by the railroad has advised that they will not ship any grain until December 2007 at the earliest. The elevator supplies its own railcars.
2. The monthly projection for rail shipments in the period September through December is estimated at 15% less than originally budgeted. Employment levels of trainmen and engineers for the same period will be reduced by 10-15%.
3. The plans to achieve the goals have been implemented with job eliminations and restructuring now occurring.
4. The plans have been communicated to the customers via direct contact.
5. There are no plans for increasing capacity in 2008.
6. There are no critical capacity-related infrastructure needs for 2008.

Jennie Lam-Nagata  
ASLRRRA  
September 14, 2007  
Page 2

7. While LIRC does not have capacity increasing projects planned for 2008, it does plan to take advantage of any available government grants to help fund its infrastructure needs include tie renewal and bridge maintenance.

If you have any questions or concerns regarding the responses contained herein please contact me at your first opportunity.

Sincerely,

*John K. Secor*

John K. Secor  
President

STB Response 9-07